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INTRODUCTION

Boys and Girls Club of Greater Flint entered into contract #BA-01-25002 with the Michigan Family Independence Agency (FIA) to provide an After-School Program for children ages 6-15. The children participated in activities such as prevention programs regarding drugs, gangs, academic assistance development, self sufficiency and leadership development, student clubs for hobbies and interests, intramural sports, life skills programs, and parent/student social activities and events. The contract totaled \$125,309 and covered the period October 1, 2000 through June 30, 2001. The Boys and Girls Club of Greater Flint was reimbursed for actual costs incurred through the submission of monthly billings to FIA.

SCOPE

The Office of Internal Audit performed an audit of Boys and Girls Club of Greater Flint to determine if their billings were accurate, allowable, and properly supported by the accounting records and other supporting documentation, in accordance with the terms of the contract. Our audit was performed in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

EXECUTIVE SUMMARY

Based on our audit, we conclude that Boys and Girls Club of Greater Flint has underbilled FIA for salaries, fringe benefits, and local transportation; and overbilled FIA for occupancy, communications, supplies and miscellaneous expense. Our report recommends that the Field Operations Administration allow Boys and Girls Club of Greater Flint to submit a revised final billing to include the costs that were underbilled, and initiate the process to recoup any amounts overbilled that are not approved through a budget amendment.

AGENCY RESPONSE

The management of Boys and Girls Club of Greater Flint has reviewed the findings and recommendations included in this report. They indicated in a telephone conversation on October 31, 2001 that they are in general agreement with the report.

FINDINGS AND RECOMMENDATIONS

Salaries and Fringe Benefits

1. Boys and Girls Club of Greater Flint underbilled FIA \$6,006.06 and \$3,017.69 for salaries and fringe benefits respectively due to actual payroll costs being greater than the billed amount. The fringe benefits were underbilled based on the underbilled salaries.

Local Transportation

2. Boys and Girls Club Greater Flint underbilled FIA \$562.34 for Local Transportation due to the actual cost being greater than the billed amount.

WE RECOMMEND that Field Operations Administration allow Boys and Girls Club of Greater Flint to submit revised billings to include \$9,586.09 in underbilled salaries, fringes and local transportation costs (\$6,006.06 + \$3,017.69 + \$562.34)

Occupancy, Communication and Supplies

3. Boys and Girls Club of Greater Flint overbilled FIA \$1,543.40, \$469.44, and \$1,218.90 for occupancy, communication and supplies respectively due to the actual cost exceeding the line item budget amount.

WE RECOMMEND that Field Operations Administration either allow Boys and Girls Club of Greater Flint to revise the contract budget amounts to include the actual costs incurred for occupancy, communications and supplies listed in the finding above, or initiate the process to recoup \$3,231.74 (\$1,543.40 + \$469.44 + \$1,218.90).

Miscellaneous

4. Boys and Girls Club of Greater Flint overbilled FIA \$114.50 because they billed for two television sets based on an estimated costs. The actual cost of the purchase was \$114.50 less than the estimate.

WE RECOMMEND that Field Operations Administration initiate the process to recoup the \$114.50 for miscellaneous costs overbilled.

Contracted Services

5. Boys and Girls Club Greater Flint incurred contracted services costs of \$4,991.36. These costs were paid to an employment agency for an Administrative Assistant who later became an employee of the agency. Employment Agency costs are not allowable in the contract budget.

WE RECOMMEND that Field Operations Administration advise the Boys and Girls Club of Greater Flint whether or not they may submit a budget amendment to include Employment Agency costs and bill for the \$4,991.36.

Case File Review

6. We reviewed 125 case records for TANF forms and 69 for survey forms. We found that 27 TANF forms were missing, but all of the survey forms were on file.

WE RECOMMEND that the Field Operations Administration instruct the Boys and Girls Club to locate the missing TANF forms to properly document the eligibility of students who participated in the BA program.